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Assistant Director, OO

20 May 1948

Assistant General Counsel

Tax Exemption for FBIB Property on Cyprus.

1. Reference is made to your memorandum to the Director of Central Intelligence, attention General Counsel, dated 13 May 1948, subject as above.

2. As a general rule, exemption from local taxes on foreign real estate is extended only to property registered in the name of the Department of State. Under certain conditions even this exemption is not always allowed.

3. Before a final answer is given in connection with this problem, it would be helpful to secure the following information:

a. What ruling the Colonial Office in London has given the Governor of Cyprus regarding the taxes on FBIB property on Cyprus; and

b. How much money is involved in these taxes.

4. This information would be helpful, first, because of the statement in one of the earlier reports from our team on Cyprus that these charges might be waived and, secondly, because the taxes may be so small that it might be preferable to pay them rather than to seek to transfer the property into the State Department name with its resultant problems of reimbursement and negotiation.

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Walter L. Pforzheimer

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